

# EXHIBIT 1

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**From:** Client Service for Greenstone Legal Group <cs@email.greenstonelegalgroup.com>  
**Sent:** Tuesday, May 7, 2024 7:35 AM  
**To:** Brian Reiss  
**Subject:** Communication from Court-Appointed Receiver

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## **Client Service for Greenstone Legal Group**

### **Supplemental Notice to Consumers**

**From:** Court-Appointed Receiver for Strategic Financial Solutions  
**Date:** May 7, 2024  
**RE:** Update regarding *Consumer Financial Protection Bureau, et al. v. StratFS, LLC (f/k/a Strategic Financial Solutions, LLC), et al.*  
U.S.D.C. (WDNY): Case No. 1:24-cv-00040-EAW-MJR

### **Why Are You Receiving This Notice?**

You are receiving this Notice because you are enrolled in a debt settlement program administered by a company named Strategic Financial Solutions (Strategic) working with a number of Law Firms (including the Law Firm that you retained). As we said in the email we sent on April 10, 2024, Strategic and other related companies and individuals are Defendants in a lawsuit filed in New York federal court by the Consumer Financial Protection Bureau and the Attorneys General of seven states ("Plaintiffs"). The Defendants dispute the allegations in the lawsuit. The Law Firms are not defendants in the lawsuit.

The information we sent on April 10, 2024 is included below. If you have not read it, we suggest that you do so, along with this notice. This notice has been reviewed and approved by the Court.

### **Preliminary Injunction**

After a two-day evidentiary hearing in which the Plaintiffs, the Defendants, and the Law Firms participated, the Court issued a Preliminary Injunction Order against the

Defendants. This means that the Court made a preliminary ruling that the Defendants and the Law Firms unlawfully took advance fees in the debt settlement program - i.e., fees collected from consumers prior to (1) settlement of a debt and (2) actual payment by a consumer on that settlement. The Defendants and the Law Firms are appealing the Preliminary Injunction decision. A final determination as to whether Defendants and the Law Firms violated the law by taking advance fees from consumers has not yet been made by the Court. However, the Defendants and the Law Firms are prohibited from taking any further advance fees until the lawsuit is over and the Court has made a final decision.

### **Your Debts Have Not Been Forgiven or Discharged as a Result of the Lawsuit**

If your debts were not settled prior to the lawsuit, you still owe your underlying debts to creditors. To be clear, no matter the outcome of the lawsuit, your current debts will not be discharged and will remain your responsibility. Thus, you will need to decide, under the circumstances, how best to resolve your outstanding debts. During the pendency of this case, the Strategic companies cannot have a role in the negotiation or settling of any debts with your creditors absent further order from the Court. Please understand that we cannot provide specific legal advice to you, but the Court has permitted us to identify some options you may wish to consider.

### **Recommendations**

#### Seek Advice from an Independent Attorney

We understand that the Law Firms recently requested that consumers, including you, amend your prior engagement agreement with the firms. You may sign the amendment or you may decline to sign the amendment. You may wish to contact an attorney to determine the impact of this lawsuit on you and your legal rights, including any decisions regarding the amendments. As noted above, we cannot provide legal advice to you

#### Potential Resources Who May Be Able to Help

You may wish to consider contacting the below resources to assist you. We have spoken with leadership at these organizations, and they are willing to assist Strategic-affiliated consumers at a reduced fee or for no fee.

The National Foundation for Credit Counseling ("NFCC") ([www.nfcc.org](http://www.nfcc.org)) is an association of accredited, federally-regulated nonprofit counseling agencies in all 50 states. NFCC has established a webpage [www.nfcc.org/strategic/](http://www.nfcc.org/strategic/) and a toll free number, 1-888-926-7146, for Strategic-affiliated consumers. NFCC will refer you to a nonprofit credit counselor in your geographic area who has agreed to provide you with one credit counseling session at no charge. NFCC counselors may be able to help you negotiate and resolve your debts with your creditors. Additional fees will likely be required should you engage the credit counselor beyond the initial meeting.

The National Association of Consumer Bankruptcy Attorneys (NACBA) ([www.nacba.org](http://www.nacba.org)) is a trade organization of bankruptcy attorneys. NACBA will refer consumers to bankruptcy attorneys in their geographic area and can be reached via email at [admin@nacba.org](mailto:admin@nacba.org). NACBA's referral attorneys have agreed to provide you with an initial consultation at no charge. Additional fees will be required should you engage a bankruptcy attorney beyond the initial meeting.

#### Negotiating with Creditors Directly

Some consumers may wish to negotiate directly with their creditors. If that is the case, we have provided a form letter [here](#), which explains the background of the lawsuit and contains a link to a webpage, which has additional information about the lawsuit, including links to Court filings which may be useful background to creditors.

#### Monitor the Lawsuit

We recommend that you monitor the lawsuit, because of its potential impact on you. Depending on the outcome of the case, in the future you may be eligible for return of some or all of the advance fees you paid while enrolled in the debt settlement program. But to be clear, the lawsuit is still ongoing, and Defendants dispute the claims. You would only be entitled to potential recovery of fees if the Plaintiffs prevail in the lawsuit. And again, no matter what the outcome of the lawsuit is, you will still owe your underlying debts. Updates on the case will be posted on a website found [here](#).

If you have questions, the best way to communicate is via email. Please understand that customer service personnel are very busy. They will do their best to respond promptly, but it may take some time.

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### **Notice to Consumers**

From: Court-Appointed Receiver for Strategic Financial Solutions

Date: April 10, 2024

RE: Update regarding *Consumer Financial Protection Bureau, et al. v. StratFS, LLC (f/k/a Strategic Financial Solutions, LLC), et al.*, Case No. 1:24-cv-00040-EAW-MJR

As a supplement to previous notice and receiver website updates, we are providing this update concerning Strategic Financial Solutions and related parties (“Strategic”) which were placed under the control of a receiver in a lawsuit filed by

the Consumer Financial Protection Bureau and seven state Attorney Generals' offices. They allege that Strategic and law firms which work with Strategic (including the one representing you) are taking illegal advance fees for their debt relief services. Recently, the Court preliminarily found that Strategic and the law firms were taking unlawful advance fees from clients and issued a Preliminary Injunction prohibiting them from doing so. Some important information about the lawsuit and your rights follows:

1) **Lawsuit Filed:** On January 10, 2024, the Consumer Financial Protection Bureau, and the States of New York, Colorado, Delaware, Illinois, Minnesota, North Carolina, and Wisconsin ("Plaintiffs") filed a lawsuit against Strategic Financial Solutions and affiliated companies ("Strategic") and related individuals (the "Defendants") alleging they operated a debt-relief operation that collects unlawful advance fees. (A copy of the complaint with a complete list of Defendants can be accessed [here](#)) The Defendants vigorously contest the lawsuit.

2) **Temporary Restraining Order Entered:** On January 11, 2024, the Court entered a Temporary Restraining Order ("TRO"), prohibiting the taking of advance fees, freezing Strategic's assets and appointing what is known as a "receiver" to take temporary control over Strategic. (A copy of the TRO can be found at the link provided above.)

3) **Intervenor Law Firms:** A number of the debt relief law firms ("Law Firms"), including yours, who were not named in the Complaint, but which work closely with Defendants, filed a motion to participate in and defend against the lawsuit. The Court allowed the Law Firms to do so. The Law Firms are as follows: Anchor Law Firm, PLLC; Bedrock Legal Group; Boulder Legal Group; Bradon Ellis Law Firm LLC; Canyon Legal Group, LLC; Chinn Legal Group, LLC; Clear Creek Legal, LLC; Credit Advocates Law Firm, LLC; Great Lakes Law Firm; Greenstone Legal Group; Gustafson Consumer Law Group, LLC; Hailstone Legal Group; Hallock & Associates LLC; Hallock and Associates; Harbor Legal Group; Heartland Legal Group; Leigh Legal Group, PLLC; Level One Law; Meadowbrook Legal Group; Michel Law, LLC; Monarch Legal Group; Moore Legal Group, LLC; Newport Legal Group, LLC; Northstar Legal Group; Option 1 Legal; Pioneer Law Firm P.C.; Rockwell Legal Group;;Royal Legal Group; Slate Legal Group; Spring Legal Group; Stonepoint Legal Group;;The Law Firm of Derek Williams, LLC; The Law Office of Melissa Michel LLC; Whitstone Legal Group; and Wyolaw, LLC

4) **Preliminary Injunction Entered:** After a two-day evidentiary hearing and consideration of briefs filed by the parties and the Law Firms, on March 4, 2024, the Court entered a Preliminary Injunction ("PI") against the Defendants and preliminarily determined that Defendants and the Law Firms have taken unlawful advance fees from consumers in violation of the Telemarketing Sales Rule ("TSR"). The Court also confirmed the appointment of the Receiver. (A copy of the PI and Decision and Order can be found at the link provided above.) The Defendants and the Law Firms have appealed the PI ruling.

5) **No Further Advance Fees:** The PI prohibits Strategic and the Law Firms from taking any further advance fees from you during the pendency of the lawsuit. No advance fees have been taken from your funds deposited in accounts at Global and Reliant Asset Management (“RAM”) since January 12, 2024. The client funds in the Global and RAM accounts belong to you, and you may withdraw or direct them as you see fit.

6) **Settlement Payments Can Continue:** If you are presently making payments to a creditor(s) pursuant to a debt settlement, the Receiver has confirmed with Global and RAM that previously scheduled payments to creditors will continue to be made and that deposits to fund settlements with creditors can still be made. In other words, if you have an active settlement, it may still be funded by money currently on deposit in your dedicated account, and if you need to deposit additional money into that account to fund scheduled settlement payments, then you are able to do so.

7) **No Further Settlements:** Your debts that were not settled prior to issuance of the TRO have not been, and will not be, negotiated or settled by Defendants while the PI remains in place unless the Court instructs otherwise.

8) **Receiver Will Seek Instruction from the Court:** The Receiver will be filing a Report and a Request for Immediate Instructions with the Court. In that Report/Request, the Receiver will be seeking guidance from the Court on next steps. Once the Court has issued an Order with those instructions, the Receiver will provide immediate notice to you.

9) **Customer Service:** Customer service operators are answering phones and responding to emails, but wait times will be lengthy due to the volume of calls and emails. Unfortunately, the customer service representatives will not be able to give you any guidance on the lawsuit or the path forward beyond what is described above. If you must contact customer service, email is the best way to do so.

We understand that you may have many questions and will provide another update as soon as we have further guidance from the Court.

RCVR-0506

### Have Questions?

Client Portal | Email Us

**Phone:** (866) 727-1899 | **Fax:** (866) 253-9529

M-F, 9:00 AM - 5:30 PM ET

Strategic Financial Solutions 115 Lawrence Bell Drive Amherst, NY 14221

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